GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:4116
ANSWERED ON:25.08.2004
MODERNISATION OF SSI
Mahajan Shri Y.G.

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Government is contemplating to modernise small scale industries;

(b) if so, the details thereof; and

(c) the funds provided by the Government for this purpose?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(c): Yes, Sir. Ministry of Small Scale Industries has launched Credit Linked Capital Subsidy Scheme (CLCSS) which provides 12% upfront capital subsidy to SSI units on institutional finance availed by them through 28 Banks, 12 State Financial Corporations, 34 Cooperative banks, 31 Regional Rural Banks and national Small Industries Corporation for modernizing their production techniques relating to 39 specified products/sub-sectors. The eligible subsidy is calculated on the actual loan amount not exceeding Rs. 40 lakh under the guidelines of the Scheme. The Scheme is Implemented at the national level through two Nodal Agencies, namely, Small Industries Development Bank of India and National Bank for Agriculture and Rural Development. In the General Budget for the year 2004-05, it has been announced to increase the rate of subsidy from 12% to 15% and maximum ceiling of loan eligible for support from Rs. 40 kakh to 1.0 crore. The 10th plan outlay of the scheme is Rs. 595 crore. In addition, SIDBI has also set up Technology Development and Modernisation fund Scheme (TDMSFS) with an earmarked corpus of Rs. 300 crore which provides assistance to beneficiary units for technology upgradation and modernization at its Prime Lending Rate.